

BUDGET LETTER

SUBJECT: POSITION CONTROL	NUMBER: 17-29
REFERENCES: SAM 6506-6527 AND CONTROL SECTION 31.00	DATE ISSUED: November 9, 2017
	SUPERSEDES: 16-30

TO: Agency Secretaries
Department Directors
Departmental Budget and Accounting Officers
Department of Finance Budget and Accounting Staff
Department Personnel Officers

FROM: DEPARTMENT OF FINANCE

BUDGET OFFICERS ARE EXPECTED TO FORWARD A COPY OF THIS BUDGET LETTER TO DEPARTMENTAL PERSONNEL OFFICERS.

This Budget Letter (BL) serves as a statewide reminder to departments regarding policies and processes related to position authority. Generally, adjustments to permanent authorized positions are required to be reviewed and approved through the normal budgetary and legislative process. In addition to these standard processes, administrative tools exist to provide departments some flexibility in managing the size and classifications of their workforce, including Control Section 31.00 and the Temporary Help Blanket.

These processes are intended to balance department flexibility with an appropriate level of budget oversight and accountability. To ensure consistency with the application of Section 31.00 regarding the process for reclassifying positions, Finance notes:

- **Departments shall not reclassify positions above statutory thresholds set annually in Section 31.00—and cannot make appointments under any circumstances to those positions—before Finance approval has been received.**
- While Finance review of the reclassification request is pending, it is inappropriate to use the Blanket or other mechanism to temporarily upgrade the position.
- Inappropriate use of Section 31.00 or the Blanket may result in audits, elimination of delegated authority, and/or other administrative/fiscal actions.
- Finance will review STD. 607 requests within 30 business days of receipt. For the occasional urgent personnel matter, please contact your Finance Principal Program Budget Analyst to discuss options for an expedited review.

Application of Section 31.00

Section 31.00 of the annual Budget Act provides authority to administratively establish and reclassify positions within an existing appropriation, subject to specified criteria. **Administratively establishing positions is generally reserved for circumstances that mandate additional, previously-unanticipated current year workload.** These positions expire at the end of the fiscal year in which they are established, unless a request for permanent position authority and/or funding is approved for the following budget cycle. Provisions in Section 31.00 and guidelines in this Budget Letter apply to all departments.

Process for Reclassifying Positions

Through the normal personnel services cycle and/or as operational needs change, it is common for departments to reclassify existing authorized positions. Examples include promotions in place, upgrading or downgrading classifications, departmental reorganizations, etc. Under Section 31.00, **increased costs that result from reclassifying positions are to be absorbed within existing appropriation authority.**

- Reclassifications to a position classification with a maximum salary range of \$7,853 or above must be approved by Finance prior to submitting the STD. 607 to the State Controller's Office (even if the position has been previously established at a higher level).
- Position reclassification requests requiring Finance approval must include all of the following supporting documentation. If position reclassification packages are incomplete, they will not be reviewed and will be returned to departments for resubmission. For incomplete submissions, the 30-business-day review period by Finance will not start until the complete package has been resubmitted.
 - a. The completed STD. 607 form.
 - b. Written justification for the change.
 - c. Duty statements for the current and proposed position.
 - d. Current and revised organizational charts.
 - e. Identification of the adequate and appropriate funding source that will absorb the additional costs on an ongoing basis.
 - f. Any other supporting documentation relevant to the reclassification including, but not limited to, approved Budget Change Proposals, Chaptered Legislation, approved regulations, etc.

To Administratively Establish Positions

Circumstances may arise, outside of normal budget and legislative cycles, in which departments require additional personnel to meet critical and time sensitive workload demands. Some examples include the receipt of additional Federal Funds or chaptered legislation requiring additional positions to meet new workload. The need to administratively establish positions outside of the budget and legislative processes is not common and **is typically reserved for critical and immediate needs, with additional costs being absorbed within existing appropriation authority.** The process is as follows:

- A must Department submit a STD. 607 form to Finance requesting to administratively establish positions. At a minimum, all of the following should be included with the request, and all incomplete submissions will be returned for resubmission.
 - a. The completed STD. 607 form.
 - b. Notification to the Joint Legislative Budget Committee, if applicable.
 - c. Written justification for the additional positions.
 - d. Duty statements for the proposed positions.
 - e. Current and revised organizational charts.
 - f. Identification of the adequate and appropriate funding source that will absorb the additional costs.
 - g. Any other supporting documentation relevant to the request including chaptered legislation, approved regulations, etc.

- Although administratively established positions do not require immediate legislative approval, departments are required to submit a Budget Change Proposal (BCP) for ongoing resources in the next budget cycle for legislative review and approval. If a BCP is not submitted and approved, the position(s) will expire June 30 of the fiscal year in which they are established.

Temporary Help Blanket

The Temporary Help Blanket, known as the “Blanket,” is a budgetary tool that provides staffing flexibility to meet operational needs and allows departments to hire above the Total Authorized Positions as displayed in the Schedule 7A. To the extent the department can absorb the additional personnel costs, the Blanket should be used for temporary and intermittent staff, with the intent that an employee needed on a permanent basis will be moved into an authorized position as soon as a vacancy becomes available or a permanent position is established through the budgetary process. In addition to hiring staff on a temporary basis, the Blanket may be used to fund other personnel-related expenditures such as:

- Employees on temporary or extended leaves of absence, sick leave, military leave, etc.
- Seasonal employees.
- Retaining an employee for training purposes. This may be necessary to ensure continuity of operations when an employee in a key role leaves a department.
- Payment to a separating employee for unused, accrued leave.

As part of the 2018-19 budget development process, departments are expected to work with their Finance budget analyst to analyze the use of the Blanket (see BL 17-27).

Section 31.00 and the Blanket are tools intended to assist departments in managing their operations. It is important that departments adhere to policies and procedures regarding the use of these tools.

/s/Justyn Howard

Justyn Howard
Program Budget Manager